

ANNUAL REPORT 2018–19





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ABOUT NCVER

OUR VISION

Maximise the power of data analytics integrated with research to transform national understanding of VET.

OUR MISSION

Deliver products and services that engage, inform and influence all participants in Australia's VET sector.

OUR VALUES

Engagement: We engage proactively, constructively and responsively in all our work relationships.

Responsiveness: We work collaboratively with our Members to set priorities.

Quality: We honour quality, respect standards and client service as motivated professionals.

Innovation: We explore new technologies, products and services to better meet clients' needs.

Integrity: Our advice is trusted, and we are fair-minded and accountable in our decisions.

Respect: We show and expect respect from each other, our clients and our stakeholders.

Learning: We share our knowledge, problem solve in teams and listen to all viewpoints.

Diversity: We are inclusive of differences and value our varied cultures, knowledge and skills.

Change: We tackle problems, pursue agile solutions and embrace change of proven merit.

Reputation: We cherish our reputation and undertake our work with integrity and impartiality.

The National Centre for Vocational Education Research Ltd (NCVER) is a not-for-profit company owned by the Commonwealth, state and territory ministers with responsibility for vocational education and training (VET).

What we do

The National Centre for Vocational Education Research (NCVER) is the national professional body responsible for collecting, managing, analysing and communicating research and statistics on the Australian VET sector.

Our areas of activity

- undertaking a strategic program of education and training research, including the collection and analysis of national VET statistics and survey data, and the analytical program of the Longitudinal Surveys of Australian Youth (LSAY)
- collecting and publishing research findings on VET and directly-related research from across the world through the VOCEDplus research database
- disseminating the results of integrated research and data analytics
- building links with similar international organisations to undertake strategic comparative analyses of mutual interest to benchmark and inform Australian practices
- providing a professional research, analysis and evaluation capability across Australia and internationally.

Our strategic plan 2017–20

NCVER will pursue and implement the following strategic objectives and key actions during 2017–20.

#	Strategic objective	Measure of success
1	Engage widely and collaboratively to anticipate, understand and address national and state and territory VET information needs and priorities.	Members and stakeholders are satisfied with our multi-level engagement across the VET sector, based on evidence derived from both structured and unstructured surveys.
2	Produce integrated statistics, research and analytics that provide comprehensive insights to inform and influence the VET sector.	Members and stakeholders are satisfied with our provision of integrated statistics, research and analytics, evidenced by periodic surveys.
3	Assure the quality, integrity and transparency of our VET-related products and services, instilling confidence in their use.	Members and stakeholders are satisfied with quality, transparency and availability of our products and services and, data submitters with the level of support they receive. Number of quality issues identified needing action.
4	Develop and implement ambitious, intelligent, customised and accessible VET-related products and services that are used and valued by our diverse stakeholders.	Members and stakeholders rate our products and services as highly relevant and informative, evidenced by periodic surveys. Increased usage of our data and research products.
5	Use targeted communication channels to enhance our impact by promoting and explaining our work so that it can inform and influence the VET sector.	Members and stakeholders demonstrate an increased awareness, use and satisfaction of our Portal, its products and services evidenced by quarterly metrics.
6	Further develop our people as a highly skilled, adaptive and professional workforce, who are committed to our values and learning culture.	Improving engagement, satisfaction, recognition and professional development ratings evidenced by annual staff surveys.
7	Improve the efficiency and effectiveness of our systems and processes to underpin success and performance.	Secure the necessary funding and resources and deliver all outcomes in accord with contracts, whilst adapting to NCVER's changing environment. A reduction in our environmental footprint.

This success will be evident in:

- the use, relevance and overall impact of our integrated research and statistics services
- the accessibility of our information, which is customised according to need and made secure as required
- the value of our information to governments in their decision making and policy development
- the use of information by regulators, providers and industry to support quality and delivery of VET.

CHAIR'S MESSAGE



The VET system has experienced some significant challenges and shifts in the last year, underpinned by a considerable amount of critical reflection and supported by at least one major review of the sector. The need for quality and timely information has never been more critical to enable the training system to respond to the changing needs of the Australian economy.

To meet the key objectives of the **NCVER strategic plan: 2017–20** and the changing needs of our stakeholders, we are transforming the way we go about our work. Taking advantage of the opportunities presented by enhanced predictive analysis, 'big data' and machine learning, we are starting to develop the expertise to provide greater insights, predict trends and identify the likelihood of future outcomes based on historical data. This is being supported by sound investment in new business intelligence tools and enhancing the skills of our professional workforce.

In the years ahead, NCVER will work with the VET sector to investigate ways to streamline the collection and the reporting of VET data to provide more frequent and accurate information. These changes will also reduce the burden on training providers and government training authorities. Such reforms will support the availability of closer-to-real-time information and enable 'deep analysis' of our core statistical holdings, including our 'total VET activity' collection.

Several important **new statistical collections and surveys** commenced during the year, including the roll-out of the new National VET Funding Collection. This is being progressively

implemented over the next few years and is already providing more meaningful information about government funding flows and allocations. In addition, two new one-off surveys commenced: the Apprentice and Trainee Experience and Destination Survey, which will provide a valuable update to the data last published in 2010; and the National VET Workforce Survey, which will enable a count of the number of VET trainers and assessors.

Our flagship statistical publications, **Total VET students and courses** and **Government-funded students and courses** have been redesigned this year to provide clearer, more meaningful information for stakeholders. And, for the first time, sufficient data are now available to estimate completion rates for all VET qualifications, not only those that are government funded. This year, we also extended the highly popular series of LSAY infographics providing snapshots of the lives of young Australians in relation to school, work and living arrangements in *Generation Z: Life at 17* and *Life at 23: Then & Now* using data from the Longitudinal Surveys of Australian Youth.

The year saw the release of a refreshed and contemporary NCVER Portal, designed to enhance the user experience and aid navigation to our online data and research resources.

Importantly, to understand the progress against our strategic plan objectives, we undertook a **survey of our key stakeholders**. The results showed that both satisfaction with and use of our key products and services are high, noting that we need to continue to be nimble and to stay ahead of emerging trends and developments in data and research.



CHAIR'S MESSAGE



With the guidance of the Research Working Group, a significant number of strategically important **national research projects** were completed during the year on topics as diverse as unaccredited training and why employers use it, a preliminary analysis of internet job postings in Australia, and the role and function of small VET providers.

We continued our important role in updating and improving the **National Industry Insights Report website** for the Australian Industry and Skills Council (AISC), which brings together industry intelligence and other data to assist industry to prioritise training package development. In addition, we undertook important work for the Council to better understand industry use of training packages and develop methodologies to determine the unique skill and workforce needs of small and niche industries.

A major highlight of the year was the 27th annual National Vocational Education and Training Research Conference 'No Frills'. Held at Aerial UTS Function Centre in Sydney on 15–17 August 2018, this conference was our first truly international conference and was sponsored jointly with our New Zealand partners, the Industry Training Federation and Ako Aotearoa. The theme 'Skills for a global future: working and learning together' reflected the international nature of this conference.

I would like to express my sincere gratitude and bid farewell to three outgoing and long-standing directors of the NCVER board. Our immediate past Chairman, **Professor Peter Shergold AM** has served on the board with distinction and great enthusiasm since 2009 and has overseen fundamental changes to the way NCVER undertakes its important statistical and research work to support the national VET

sector. My board colleagues, **Dr Helen Garnett**, **Pat Forward** and **Suzanne Wauchope** have similarly made very substantial contributions to the sound governance and strategic direction of the organisation, and the contribution of all three departing directors will be greatly missed.

I also welcome on board our new directors, **Nadine Williams**, Deputy Secretary for the Skills and Training Cluster in the Australian Government Department of Employment, Skills, Small and Family Business, **Catherine White**, Executive Director of Workforce NT in the Northern Territory Government and **Ian Curry**, National Coordinator Skills, Training and Apprenticeships Policy, Australian Manufacturing Workers' Union.

Importantly, I acknowledge the NCVER team for continuing to undertake their work with professionalism and commitment. We have many challenges on our collective horizon, and the skills and understandings of all within this agency will be required to see us deliver with the quality and productiveness that our stakeholders expect.

It is also important to note that the responsibilities we carry out are done so under the auspices of Skills Ministers throughout the nation. We thank these ministers for their interest and oversight. And finally, I would like to thank one of our key stakeholders – training providers throughout the sector – who work with us to provide quality and timely data. We appreciate your partnership with us and look forward to working with you in the years ahead.

Ruth Shean
Chair

2018–19 HIGHLIGHTS

Engage widely and collaboratively to anticipate, understand and address national, state and territory VET information needs and priorities

To define our research agenda, we worked with the guidance of the Skills Senior Officials Network (SSON) Research Working Group (RWG) to identify the critical influential evidence required for the VET system. As a part of the process, we consulted with VET peak bodies and research organisations to develop topics for consideration to help enhance VET policy and practice. This has led to an extensive research program, with 19 projects now underway. We further initiated a key project to explore the reasons employers are using unaccredited training, why they chose this form of training over others and whether it is meeting their skill needs.

In August 2018, we held our annual **National Vocational Education and Training Research Conference** 'No Frills', which continues to be a popular event and, after 27 years, is a much-anticipated feature on the national VET research calendar. This was our first international 'No Frills' conference, co-hosted with New Zealand partners, the Industry Training Federation and Ako Aotearoa, and held in Sydney at Aerial UTS Function Centre. The theme 'Skills for a global future: working and learning together' reflected the international nature of the conference and highlighted the pivotal role that VET plays in preparing people for an increasingly globalised workforce. By partnering with New Zealand and attracting a record number of international delegates, this year's conference provided an excellent opportunity to highlight international evidence for benchmarking policy best practice.

We contributed **7 submissions** to parliamentary and other inquiries to promote the role of VET and assist in the review of key areas of the VET sector. This included the Australian Government's expert review of Australia's vocational education and training system; and the review of the Australian Qualifications Framework. Other submissions sought to contribute to the development of strategies, plans and legislation relating to women in STEM; data sharing and release; apprenticeships and traineeships; and regional, rural and remote education, with the aim of enriching the development of Australia's VET system.

National Skills Week is an annual event focused on promoting Australia's VET sector. The event ran nationwide with the aim to highlight VET as a successful career pathway. Using data from NCVER's collections and surveys, we released a chart-of-the-day-style series to help support this theme and dispel myths surrounding VET.



2018–19 HIGHLIGHTS

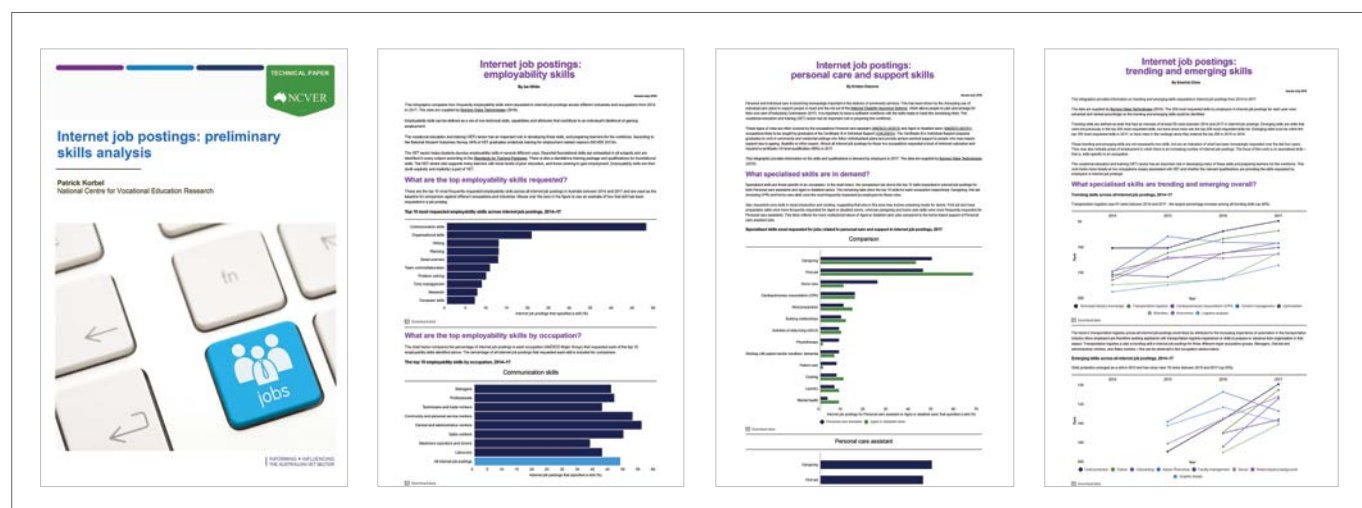
Produce integrated statistics, research and analytics that provide comprehensive insights to inform and influence the VET sector

We provided new insights into the **skills employers want and demand** in the Australian labour market by complementing internet job postings data with NCVER's existing data collections and surveys. The report *Internet job postings: preliminary skills analysis*, accompanied by three case study examples, demonstrates how valuable this near-real-time data source can be and the possibilities it offers to inform policy and practice in the VET sector.

In 2018, the National VET Funding Collection replaced the National VET Finance Collection, providing greater insight into the funding arrangements for the public VET sector in Australia. The **new National VET Funding Collection** is a point-in-time administrative collection that provides information on the flow and distribution of government contributions that stimulate or support publicly-subsidised VET activity in Australia. This new collection will be gradually phased in over three years.

For the first time, we conducted a survey of the current VET workforce to obtain an estimate of the **number of trainers and assessors within the sector**. The profile of teaching qualifications held by the trainers and assessors was also collected from registered training organisations (RTOs). This will be used to assist decision makers and other VET sector stakeholders when considering changes to regulatory requirements that affect VET trainers and assessors.

We are using **data linkages** to transform the value of the Longitudinal Surveys of Australian Youth (LSAY) to both participants of the survey and the policy and research community that use the data. Linking LSAY data with other sources including school results, VET records and higher education records enables us to improve the quality of the data, increase the richness and depth of information available, and provides an opportunity to refine the survey questions.



2018–19 HIGHLIGHTS

Assure the quality, integrity and transparency of our VET-related products and services, instilling confidence in their use

Work is underway to **reform the National Student Outcomes Survey** by designing a survey program that systematically gathers information at key points in time across the student journey. Our vision is to transition from an overlap of cross-purpose, cross-sectional surveys to a suite of shorter, more targeted surveys that systematically capture more meaningful information across a VET student's experience. We have taken steps in this direction by trialling new methodologies and shorter, more targeted questionnaires.

In 2019, we conducted the **National Apprentice and Trainee Experience and Destination Survey**, which was last undertaken in 2010, following the first survey in 2008. Results will help determine how well employment-based training prepares people for ongoing employment, what motivates people to undertake an apprenticeship or traineeship, which factors lead to completion and non-completion, and how satisfied employees are with both on-the-job and off-the-job training.

For the first time, in 2018, NCVER released **completion rates for all VET programs**. Prior to this, data on completion rates were only available for government-funded VET programs. With the availability of more comprehensive training data, known as 'total VET activity', it is now possible to project completion rates for all VET programs.

We are also working with the VET sector to **transform current VET data collection** processes by using system-to-system data exchanges to enable more timely and complete collection. To support this, we are leading the scoping of new VET data design and governance arrangements.

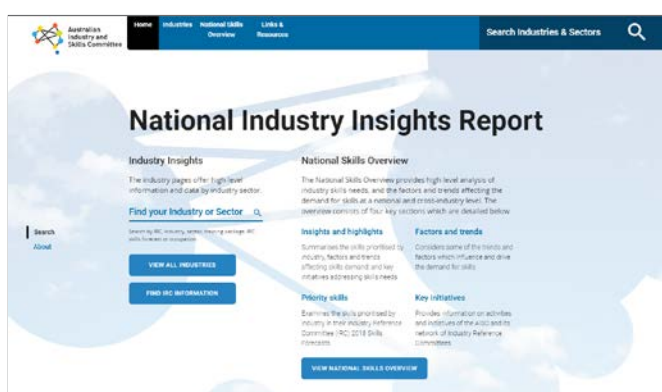


2018–19 HIGHLIGHTS

Develop and implement ambitious, intelligent, customised and accessible VET-related products and services that are used and valued by our diverse stakeholders

The **VOCEDplus Pod Network** was refreshed and relaunched in March 2019. The new version reflects the changes that have occurred within the VET sector over the past three years, ensuring the resource remains relevant and useful. The network has been simplified, with a bigger focus on pre-prepared searches, and new topical 'Pods' and 'Podlets' have replaced those that have become less prominent. Some of the new Pods include 'Industry 4.0', which covers issues such as the impact of automation and the new digital economy, and 'Student outcomes', which provides access to important information on completion, graduate incomes, and underemployment.

We further improved and updated the **National Industry Insights Report website** on behalf of the Australian Industry Skills Committee and the Australian Government Department of Employment, Skills, Small and Family Business. This dynamic web-based resource provides easy access to contemporary, industry-focused data on economic and employment trends, and education and training patterns in Australia. It also highlights key skill need areas identified by industry and considers the factors and trends affecting the demand for these skills at a national and cross-industry level.



2018–19 HIGHLIGHTS

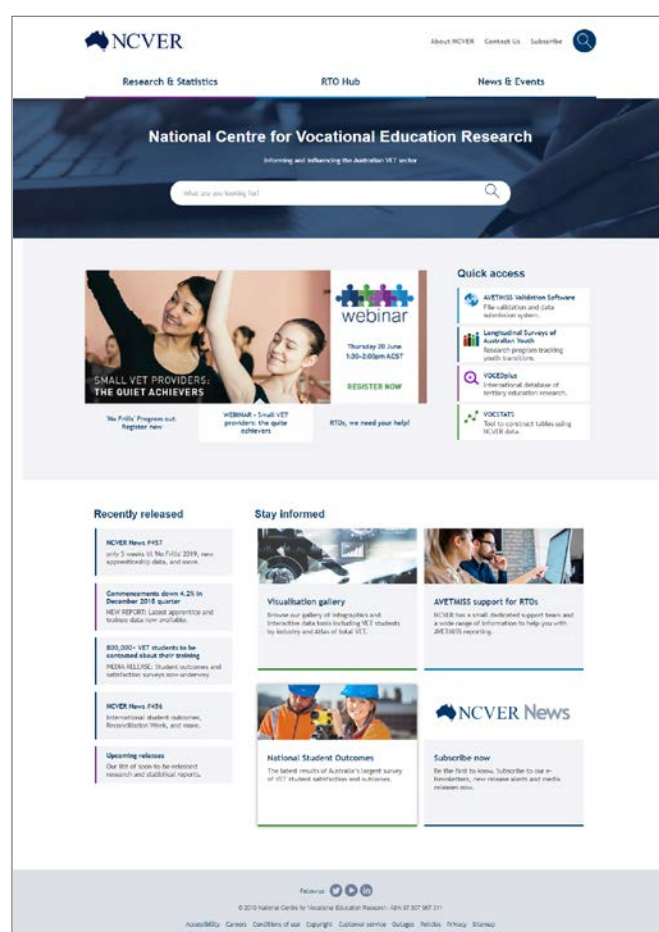
Use targeted communication channels to enhance our impact by promoting and explaining our work so that it can inform and influence the VET sector

We launched our **updated Portal** in August 2018 to help improve our visitors' experience, with a focus on ease of finding information. The site continues to be refined based on site polling and customer survey feedback. Visitors to our Portal have increased by just over 200 000 over the past 12 months. A new Portal strategic plan was also developed to outline the pathway to accommodate NCVER new initiatives and evolve with best practice.

While the Portal is NCVER's main avenue for communicating and sourcing our work, we use a number of other channels to **reach a wide range of customers**. Social media (Twitter and LinkedIn) continue to grow, with followers increasing by 33% over the past year, and our webinars continue to attract strong audiences with an 91% satisfaction rating. We will also be launching our first podcast series in July 2019 to further enhance the impact and reach of our work.

In November 2018, we conducted a **stakeholders' survey** (benchmarked against our 2014 survey) to provide metrics and business intelligence to measure progress against our 2017–20 strategic plan. Key results from the survey indicate:

- 78.5% of respondents were satisfied overall with NCVER (target = 70%)
- 95.2% were satisfied with NCVER's research and 93.7% with NCVER's statistical products (target = 75%)
- 94.5% rated the NCVER Portal good or excellent (target = 70%).



Further develop our people as a highly skilled, adaptive and professional workforce, who are committed to our values and learning culture

NCVER staff were involved in:

- 31 conference and stakeholder presentations
- 191 stakeholder briefings and meeting
- 49 training courses.

We held a diverse and engaging **in-house seminar series** of 10 seminars. These seminars enhanced VET knowledge across the company and helped forge collaborative learning and partnership. Many external stakeholders also attended or presented, contributing to lively and stimulating debate.

We finalised our **Job Evaluation and Remuneration Framework Project** in December 2018, which has provided

a more robust method for ‘sizing’ jobs within NCVER. Job sizing is now based on evaluating and scoring requirements of a position against 10 key factors to determine which of the 12 salary levels the position sits in. Importantly, the framework has removed the hierarchical nature of the previous framework, which did not allow for technical positions to be valued as highly as management positions.

The new framework will also provide the ability to focus more closely on development activities and succession planning. The outcomes of this project also fed into **Enterprise Agreement negotiations**, which were finalised in April 2019, with a very pleasing 96% of staff who voted supporting the new agreement.



2018–19 HIGHLIGHTS

Improve the efficiency and effectiveness of our systems and processes to underpin success and performance

We have continued to invest in and **enhance the national VET data systems** to better support students, regulators and the unique student identifier (USI) transcript service. Improved functionality has enabled more timely information for students' USI transcripts and the capture of information from closed or closing RTOs. We have also begun collecting summary data from RTOs granted an exemption from detailed reporting by their VET regulator to better understand the quantum of training delivery.

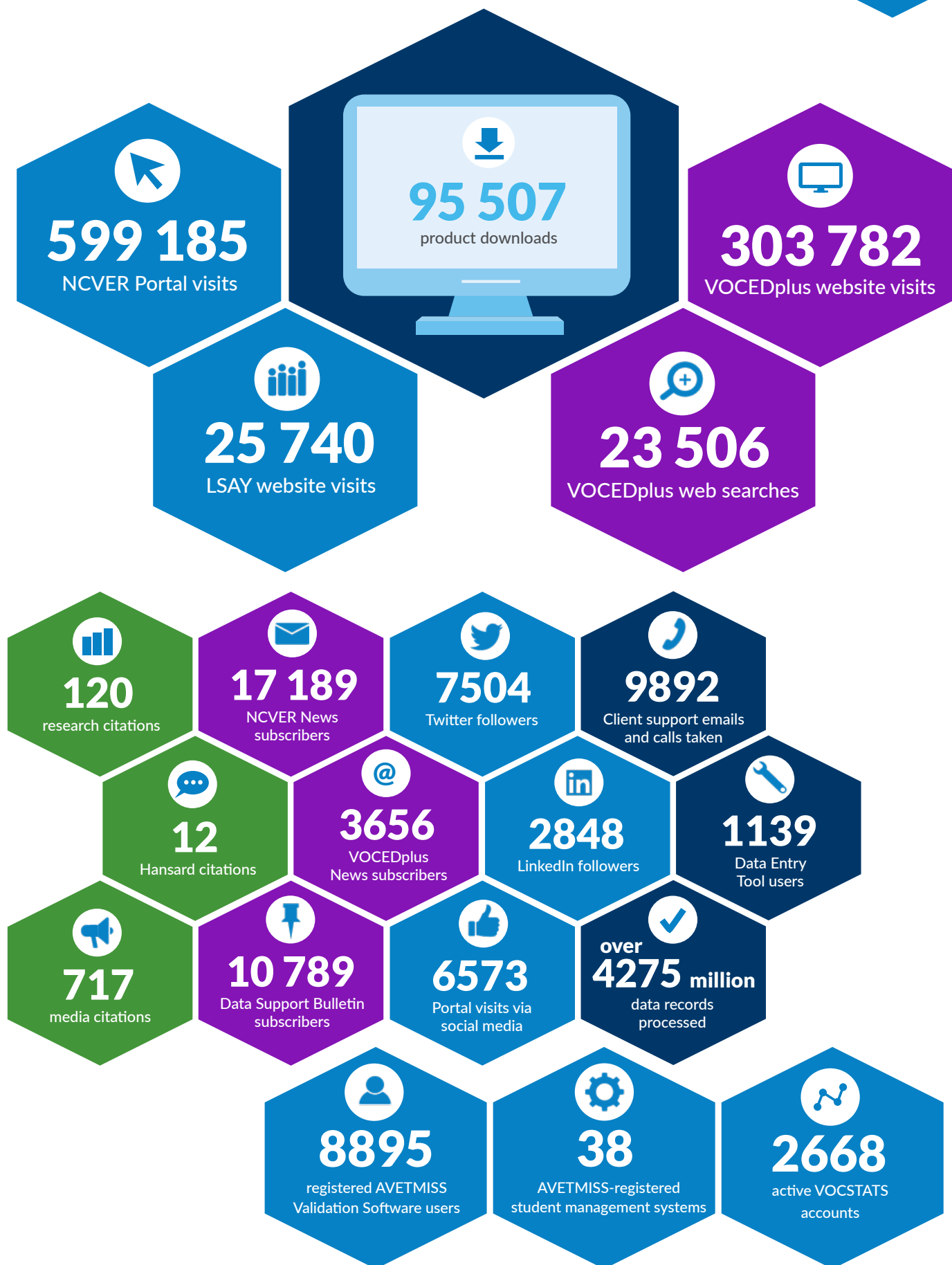
A **new risk management system** was implemented in 2019, replacing a manual and time-consuming approach to this task.

The new system automates risk reporting and will enable us to better focus on identifying and managing strategic, operational and emerging risks.

With increased threat in **external security attacks**, we have updated infrastructure and IT controls to ensure we provide appropriate levels of defense, identification and resolution should we have a security breach. We have also focused efforts on increasing staff awareness to mitigate against the risk of a privacy or security incident.



CONNECTING WITH US



WHAT WE DELIVERED



WHAT WE DELIVERED



270

'No Frills'
attendees

105

educational
workshop
attendees

27th National Vocational Education and Training Research Conference 'No Frills'

Workshops:

- Research and statistics at NCVER: the who, what and how
- Finding, interpreting and comparing survey estimates
- Better bang for your buck: encouraging others to make use of your work
- VOCEDplus: telling the VET story
- The importance of building VET research communities and capabilities: pros and cons in contemporary times
- Understanding and using Longitudinal Surveys of Australian Youth (LSAY) data



811

webinar attendees

Public webinars

- Coming to terms with Release 8 of AVETMISS for VET providers
- The future of work: continuity and change in the employer's investment in training
- Student outcomes data: a guide for RTOs that want to know more
- Enhancing the status of VET
- Small VET providers: the quiet achievers

Invite only webinars

- VOCEDplus presentation
- Vocational institutions: undergraduate degrees

GOVERNANCE

	Number	Comment
Corporate status		A not-for-profit entity
Company members	9	Company members are the federal, state and territory ministers responsible for vocational education and training
Annual General Meeting		29 November 2019
Board of directors	7	<p>As at 30 June 2019</p> <p>At all times:</p> <ul style="list-style-type: none"> five of the directors are nominated by the members of the company (one director to be appointed) one of the directors is nominated by the Australian Council of Trade Unions one of the directors is nominated jointly by the Business Council of Australia and the Australian Chamber of Commerce and Industry one of the directors is nominated by the board on the recommendation of the Chair (one director to be appointed) one of the directors is the Managing Director of NCVER.
Board meeting dates		<p>21 September 2018</p> <p>7 December 2018</p> <p>29 March 2019</p> <p>28 June 2019</p>
Audit and Risk Committee members	4	As at 30 June 2019
Audit and Risk Committee meetings dates		<p>20 September 2018</p> <p>6 December 2018</p> <p>28 March 2019</p> <p>27 June 2019</p>
Net operating deficit	\$ 2 225 370	The deficit resulted from the recognition of amortisation expenditure associated with the development of intangible assets, with related revenue recognised in prior periods.
Employees (headcount)	109	As at 30 June 2019

COMPANY MEMBERS

Company members are the federal, state and territory ministers responsible for vocational education and training. Company members as at 30 June 2019 are listed below.

**Australian Government**

Senator the Hon Michaelia Cash, Minister for Employment, Skills, Small and Family Business

**Australian Capital Territory**

Andrew Barr MLA, Minister for Tertiary Education

**New South Wales**

The Hon Dr Geoffrey Lee MP, Minister for Skills and Tertiary Education

**Northern Territory**

The Hon Selena Uibo MLA, Minister for Workforce Training

**Queensland**

The Hon Shannon Fentiman MP, Minister for Training and Skills Development

**South Australia**

The Hon David Pisoni MP, Minister for Innovation and Skills

**Tasmania**

The Hon Jeremy Rockliff MP, Minister for Education and Training

**Victoria**

The Hon Gayle Tierney MP, Minister for Training and Skills

**Western Australia**

The Hon Suzanne Ellery MLC, Minister for Education and Training

DIRECTORS' REPORT

NCVER board

A board of nine directors sets the policies and strategic direction of NCVER and oversees the management of the company. The directors submit their report with respect to the company for the year ended 30 June 2019.

Company directors and officers

The names of the directors and officers as at 30 June 2019 are:



Ruth Shean

*Chair, NCVER board and
Member, Audit and Risk Committee*
FAICD, FGIA, FCIS, FIPAABA
Appointed January 2019



Megan Kirchner

*Director, NCVER board and
Member, Audit and Risk Committee*
GAICD, BA, EMPA
Appointed: January 2018



Lynne Austin

Director, NCVER board
MAICD, AFIML
Appointed January 2018



Ian Curry

Director, NCVER board
Appointed November 2018



Simon Walker

*Director, NCVER board and
Member, Audit and Risk Committee*
Appointed Managing Director October 2018



Catherine White

Director, NCVER board
B.Ed, GAICD, MIML
Appointed November 2018



Nadine Williams

Director, NCVER board
BA, EMPA
Appointed November 2018

Detailed profiles on the board of directors
are available on the NCVER Portal:

<https://www.ncver.edu.au/about-ncver/our-people>



Julie Wobber

Chair, Audit and Risk Committee
BA, DipEd, MBA, MAICD
Appointed August 2013



Steven Peronace

Company Secretary
BA, CPA, GAICD
Appointed: November 2012



DIRECTORS' REPORT

Principal activities

The principal activities in which the company was engaged during the year were: collecting, managing, analysing and communicating research and statistics on the Australian vocational education and training (VET) sector.

Operating results

The company is a not-for-profit company and is exempt from lodging income tax returns. Any monies remaining at the end of a financial year are added to the accumulated funds. The net operating deficit was \$ 2 225 370.

Shares, issues and dividends

The company does not issue any shares or debentures and does not and will not pay dividends.

After balance-date events and likely developments

No matters and circumstances have arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to the financial year ending 30 June 2019.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Audit and Risk Committee

The Audit and Risk Committee's role is to assist the board of directors to fulfil its corporate governance responsibilities in relation to financial reporting, internal control structures, privacy controls, risk management systems and audit processes. The committee has an independent chair.

During the 2018–19 financial year, the Audit and Risk Committee focused on its obligations regarding privacy

compliance, legislation updates, as well as significant emerging projects that impact on company operations and risks.

Furthermore, the committee reviewed a number of internal audits, including a review of cyber security, taxation compliance, and IT vendor risk and management. These reviews have significantly strengthened the company's IT and financial systems and processes.

The committee considered a range of financial matters including the company's funds management and accounting policies, budget and audit reports. The committee has maintained its strong focus on reviewing and monitoring major risks, data quality and data releases. The committee also continues to review trademark matters, insurance and the company's staffing profile, including management of staff leave.

The recommendations to the board resulting from these reviews have assisted the company to meet its statutory and prudential obligations as well as fulfil its corporate governance responsibilities.

Directors' benefits

The board hereby states that during the 12 months to 30 June 2019:

- a) No director of the company, no firm of which the director is a member or no body corporate in which a director has a substantial financial interest, other than specified in part (b), has received or become entitled to receive a benefit as a result of a contract between the director, firm or body corporate and the company;
- b) No director of the company has received directly or indirectly from the company any payment or other benefit of a pecuniary value other than as shown in the accounts as received in aggregate by directors and other than the Managing Director receiving remuneration for services provided to the company under the normal terms and conditions of employment.

DIRECTORS' REPORT

Meetings of directors

During the year, four board meetings and four Audit and Risk Committee meetings were held. Attendances were:

	Board meetings (number)		Audit and Risk Committee meetings (number)	
	Eligible to attend	Attended	Eligible to attend	Attended
Peter Shergold ¹	2	2	2	1
Ruth Shean ⁴	2	2	2	2
Cathy White ³	3	3		
Lynne Austin	4	4		
Helen Garnett ¹	2	2		
Nadine Williams ³	3	3		
Megan Kirchner	4	4	4	4
Ian Curry ³	3	3		
Simon Walker	4	4	3	3
Suzanne Wauchope ²	2	2	2	2
Julie Wobber ⁵	-	-	4	4

Notes: 1 Appointment ceased 31 December 2018

2 Appointment ceased 29 April 2019

3 Appointed 30 November 2018

4 Appointed 1 January 2019

5 External member and Chair of the Audit and Risk Committee only

Indemnifying officer or auditor

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under Section 60–40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 23.

Signed in accordance with a resolution of the board of directors at Melbourne, on behalf of the directors.



Ruth Shean

Chair

Dated at Melbourne this 18th day of September 2019.



Simon Walker

Managing Director

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the board members of National Centre for Vocational Education Research Ltd.

As lead audit partner for the audit of the financial statements of National Centre for Vocational Education Research Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in respect of the audit.

A handwritten signature in blue ink, appearing to read 'Nexia Edwards Marshall'.

Nexia Edwards Marshall
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Jamie Dreckow'.

Jamie Dreckow
Partner

Adelaide
South Australia

18 September 2019

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FINANCIAL REPORTS

Statement of profit and loss

For the year ending 30 June 2019

	Note	2019 (\$)	2018 (\$)
REVENUE			
Conferences and workshops		131 442	45 365
Contributions from members		1 474 708	1 463 822
Contract revenue	3	18 204 385	19 443 025
Interest		247 186	263 201
Publications		2 188	2 353
Sundries	4	185 058	130 221
Total revenue		20 244 967	21 347 987
EXPENSES			
Equipment lease interest		-	43
Premise lease interest	13.1	389 214	403 092
Operating expenses	2.1	10 556 733	11 716 734
Salaries and related payments	2.2	11 524 390	12 253 079
Total expenses		22 470 337	24 372 948
NET OPERATING DEFICIT	6	(2 225 370)	(3 024 961)
NET DECREASE IN EQUITY		(2 225 370)	(3 024 961)

The accompanying notes form part of these financial accounts.

Statement of comprehensive income

For the year ending 30 June 2019

	Note	2019 (\$)	2018 (\$)
NET OPERATING DEFICIT	6	(2 225 370)	(3 024 961)
OTHER COMPREHENSIVE INCOME		-	-
Total comprehensive income for the year		(2 225 370)	(3 024 961)
Total comprehensive income attributable to members of the entity		(2 225 370)	(3 024 961)

The accompanying notes form part of these financial accounts.

FINANCIAL REPORTS

Statement of financial position

As at 30 June 2019

	Note	2019 (\$)	2018 (\$)
CURRENT ASSETS			
Cash assets		4 062 828	897 487
Receivables	7	4 356 729	4 086 977
Investments		3 446 465	6 496 465
Prepayments		572 228	405 306
Total current assets		12 438 250	11 886 235
NON-CURRENT ASSETS			
Property, furniture and equipment	8	6 843 209	7 430 524
Intangible assets	9	2 252 964	4 300 106
Total non-current assets		9 096 173	11 730 630
TOTAL ASSETS		21 534 423	23 616 865
CURRENT LIABILITIES			
Payables	11	1 877 754	1 271 761
Provisions	12	2 170 513	2 171 368
Lease liability	13.1	344 309	287 315
Other liabilities	13.2	4 903 120	5 036 385
Total current liabilities		9 295 696	8 766 829
NON-CURRENT LIABILITIES			
Provisions	12	262 080	316 960
Lease liability	13.1	6 300 982	6 632 041
Total non-current liabilities		6 563 062	6 949 001
TOTAL LIABILITIES		15 858 758	15 715 830
NET ASSETS		5 675 665	7 901 035
EQUITY			
Retained earnings	6	5 675 665	7 901 035
TOTAL EQUITY		5 675 665	7 901 035

The accompanying notes form part of these financial accounts.

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Statement of cash flows

For the year ending 30 June 2019

	2019 (\$) Inflows (outflows)	2018 (\$) Inflows (outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members, customers etc.	21 512 543	17 318 459
Payments to suppliers and employees	(20 468 222)	(20 394 557)
Interest paid	(389 214)	(403 135)
Interest received	238 366	243 309
Net cash provided by / (used in) operating activities	893 473	(3 235 924)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for furniture, equipment and leased premises	(376 954)	(381 858)
Payments for computer software	(100 603)	(373 090)
Receipts from investments	3 050 000	2 000 000
Net cash provided by investing activities	2 572 443	1 245 052
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments to reduce equipment lease liability	(13 260)	(7 688)
Payments to reduce premise lease liability	(287 315)	(246 722)
Net cash used in financing activities	(300 575)	(254 410)
NET INCREASE/(DECREASE) IN CASH HELD	3 165 341	(2 245 282)
Cash at the beginning of the financial year	897 487	3 142 769
CASH AT THE END OF THE FINANCIAL YEAR	4 062 828	897 487

The accompanying notes form part of these financial accounts.

Statement of changes in equity

For the year ending 30 June 2019

	Note	(\$)
Retained earnings at 1 July 2017	6	10 925 996
Net operating deficit for 2017-18		(3 024 961)
Retained earnings at 30 June 2018	6	7 901 035
Net operating deficit for 2018-19		(2 225 370)
Retained earnings at 30 June 2019		5 675 665
Total equity at reporting date		5 675 665

The accompanying notes form part of these financial accounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 Statement of accounting policies

1.1 Basis of preparation

The National Centre for Vocational Education Research Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 18 September 2019 by the directors of the company.

1.2 Income tax

The company is an educational research institution and as such is exempt from income tax under section 23 of the *Income Tax Assessment Act 1997*.

1.3 Revenue and economic dependence

The company is dependent upon the Australian Government Department of Employment, Skills, Small and Family Business for the majority of its revenue, with revenue from the department constituting approximately 93% of NCVER's total revenue in the 2018–19 financial year. Most of that sum relates to two major contracts for the Management of the National Vocational Education and Training Research Services Program and the Management of the National Vocational Education and Training Statistical Services Program.

The company recognises revenue in relation to contracts with customers on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. To achieve this, the company applies all of the following steps:

- a) identify the contract with a customer
- b) identify the separate performance obligations in the contract
- c) determine the transaction price
- d) allocate the transaction price to the separate performance obligations in the contract; and
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Contract revenue comprises revenue from externally funded commercial research projects and the above-mentioned Australian Government Department of Employment, Skills, Small and Family Business programs managed by the company.

Contract revenue received in advance represents the excess of monies received over the revenue recognised upon the satisfaction of the separate performance obligations in the contract.

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Contributions from members are recognised as revenue upon receipt.

Revenue from sale of publications is recognised when the publications have been dispatched.

Revenue from interest is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets.

Revenue from conferences and workshops is recognised upon the delivery of service to attendees.

1.4 Significant items affecting the financial statements

During the year ended 30 June 2019, the Statement of Comprehensive Income reported a net operating deficit of \$ 2 225 370.

The deficit has primarily arisen as a consequence of the company recognising depreciation of \$ 2 147 745 associated with intangible assets. The recognition of the depreciation reverses the recognition of prior year surpluses in accordance with AASB 1004: Contributions, where the contract income associated with the contract for Management of the National Vocational Education and Training Statistical Services Program and the contract for work to extend the scope of the data in the provider collection to inform Council of Australian Governments targets, was partly used for the creation/replacement of intangible assets. The intangible assets, which were recognised in prior years, include an expanded statistical database, the development of a Unique Student Identifier transcript, and related software applications.

The impact of the recognition of the income and the capitalisation of the associated expenditure has significantly contributed to the net operating surpluses in previous years, with this trend beginning to reverse in 2014–15 as the amortisation of the intangible assets occur.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- i. amortised cost
- ii. fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- i. a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies
- ii. held for trading
- iii. initially designated as at fair value through profit or loss.

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All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its life in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- i. incurred for the purpose of repurchasing or repaying in the near term;
- ii. part of a portfolio where there is an actual pattern of short-term profit-taking; or
- iii. a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- i. amortised cost;
- ii. fair value through other comprehensive income; or
- iii. fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- i. the contractual cash flow characteristics of the financial asset; and
- ii. the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- i. the financial asset is managed solely to collect contractual cash flows; and
- ii. the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- i. the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- ii. the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

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The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- ii. it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- iii. it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid

and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- i. the right to receive cash flows from the asset has expired or been transferred;
- ii. all risk and rewards of ownership of the asset have been substantially transferred; and
- iii. the entity no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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The entity uses the simplified approach to impairment, as applicable under AASB 9.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

1.5 Employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Related oncosts consequential to the employment of employees have been included in 'Payables'.

Liabilities arising in respect of annual leave and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the

present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability, are used.

Payments are made by the company to externally managed employee superannuation funds and are charged as expenses when incurred. The company has no legal obligation to cover any shortfall in the funds' obligation to provide benefits to employees on retirement.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

1.7 Investment

Investment represents bank bills and term deposits that are recognised at their purchase price. Interest is brought to account as earned at the agreed interest rate for the relevant period.

1.8 Depreciation and amortisation

Depreciation and amortisation are calculated on a straight-line basis so as to write off the net cost of each item of property, furniture and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Depreciation rates applied to asset categories are as follows:

Furniture	15%
Computer equipment	33%
Computer software	25%
Other equipment	20%
Leased premises	8%

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1.9 Property, furniture, equipment and intangible assets

Each class of property, furniture, equipment and intangible assets is carried at cost less, where applicable, any accumulated depreciation. The minimum threshold for capitalisation of individual assets is \$ 300.

Leased premises

Right-of-use assets are initially measured at cost. The cost comprises the amount of the initial measurement of the lease liability (refer to Note 1.11), any lease payments made before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee for obligations arising under the lease. Right-of-use assets are depreciated over the term of the lease.

Improvements made to leased premises (that is office fitout) are measured on the cost basis and amortised over the term of the current lease.

Furniture and equipment

Furniture and equipment are measured on the cost basis or, in the case of any impaired assets, on the basis of recoverable value. Assessment of company assets and accumulated depreciation has revealed no impaired assets at this time, with no assets estimated to be carried at values exceeding their recoverable amounts.

Intangible assets – software

Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between one and four years.

1.10 Impairment of assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared with the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

1.11 Leases

The company recognises assets (refer Note 1.9) and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lease liability is measured at the present value of the lease payments to be made over the lease term.

1.12 Creditors

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Payments are normally settled within 30 days.

1.13 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of tax assets or tax liabilities.

1.14 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (that is, trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or liability is measured at initial recognition
- ii. less principal repayments
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

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ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

iii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

1.15 Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

1.16 Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

1.17 Key estimates and judgments

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

i. Impairment

At 30 June 2019 the directors reviewed the recoverability of non-current assets, being property, furniture and equipment and intangible assets. Based on this review the directors are satisfied that the carrying value does not exceed the recoverable amount at 30 June 2019.

ii. Key judgments – provision for impairment of receivables

The directors have reviewed the carrying value of receivables and believe that the full amount of the receivables is recoverable, and therefore no provision for impairment has been made.

Key judgments

i. Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements do not satisfy the definition of other long-term employee benefits.

1.18 New and amended accounting policies

Initial application of AASB 9: Financial Instruments

The company has adopted AASB 9 with a date of initial application of 1 July 2018. As a result the company has changed its financial instruments accounting policies as detailed in this note.

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Considering the initial application of AASB 9 during the financial period, financial statement line items have not been affected for the current and prior period.

AASB 9 requires retrospective application with some exemptions and exceptions (eg when applying the effective interest method, impairment measurement requirements, and hedge accounting in terms of the Standard).

There were no financial assets/liabilities which the company had previously designated as at fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/ elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the company has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The company has applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The company has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 July 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 July 2018 have been restated where appropriate.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the company's business model and the cash flow characteristics of the financial assets:

- i. debt investments that are held within a business model whose goal is to collect the contractual cash flows,

and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;

- ii. debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- iii. all other debt investments and equity investments are measured at fair value through profit or loss.

Despite the issues mentioned above, the company may make an irrevocable election at initial recognition of a financial asset as follows:

- i. the company may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- ii. the company may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The directors of the company determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

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Financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9, as they are held to collect contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding.

This note contains a table that shows the effect of classification of the financial assets upon initial application.

Impairment

As per AASB 9 an expected credit loss model is applied and not an incurred credit loss model as per the previous Standard applicable (AASB 139). To reflect changes in credit risk this expected credit loss model requires the company to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument has not shown significant change since initial recognition, an expected credit loss amount equal to the 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

The company reviewed and assessed the existing financial assets on 1 July 2018. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that was available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 July 2017 and 1 July 2018. The assessment was done without undue cost or effort in accordance with AASB 9.

Financial assets to which the impairment provisions apply	Note	Attributes of credit risk	Loss allowance recognised	
			1 July 2017	1 July 2018
Trade and other receivables	7	The company uses the simplified approach and recognises lifetime expected credit loss.	-	-

The application of the AASB 9 impairment requirements has not resulted in additional loss allowance to be recognised in the current year (2018: \$Nil). For further details, see the subsequent tables in this note.

The reconciliation of the provision for impairment in accordance with AASB 139 and AASB 137: Provisions, Contingent Liabilities and Contingent Assets to the opening

loss allowances determined in accordance with AASB 9 for the abovementioned are disclosed in their respective notes.

The consequential amendments to AASB 7: Financial Instruments: Disclosures have also resulted in more extensive disclosures about the company's exposure to credit risk in the consolidated financial statements.

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Classification and measurement of financial liabilities

AASB 9 determines that the measurement of financial liabilities and also the classification relates to changes in the fair value designated as fair value through profit or loss attributable to changes in the credit risk.

AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income, unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to a financial liability's credit risk are transferred to retained earnings when the financial liability

is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at fair value through profit or loss to be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of the company's financial liabilities.

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

Financial instrument category			Carrying amount		
	AASB 139 original	AASB 9 new	AASB 139 original	AASB 9 recognition of additional loss allowance	AASB 9 new
Financial assets (current)					
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost	897 487	-	897 487
Investments	Held to maturity (AASB 139)	Financial assets at amortised cost	6 496 465	-	6 496 465
Trade and other receivables	Loans and receivables (amortised cost)	Financial assets at amortised cost	4 086 977	-	4 086 977
Financial liabilities (current)					
Trade and other payables	Amortised cost	Financial liabilities at amortised cost	1 271 761	-	1 271 761

The application of AASB 9 has had no impact on the financial assets' carrying amounts.

The application of these changes in accounting policies had no impact on the cash flows of the company.

FINANCIAL REPORTS

2 Expenses breakdown

2.1 Operating expenses

	Note	2019 (\$)	2018 (\$)
Contractors - surveys		2 744 893	2 281 687
Depreciation and amortisation	8.2, 9.2	3 128 003	4 086 214
Other office accommodation expenses		196 308	145 776
Managed fund grant payments		-	99 091
Computer software support		1 557 907	1 566 444
Contractors and professional services		2 067 993	2 537 686
Telephone and postage		91 970	82 401
Computer hardware support		32 105	45 138
Travel and accommodation		133 611	159 022
Conference and seminar costs		82 519	53 813
Staff training		29 430	90 994
Office supplies and expenses		64 271	73 579
Printing of publications		16 186	9 901
Purchase of publications		62 549	90 094
Directors' fees		58 075	57 847
Other expenses		98 566	184 495
Advertising and recruitment costs		95 769	56 889
Insurance premiums		40 721	38 996
Audit fees		28 012	25 190
Equipment and software (non-capital)		27 845	31 477
		10 556 733	11 716 734

Contractors - surveys costs relate to surveys conducted under the contract with the Australian Government Department of Employment, Skills, Small and Family Business for the Management of the Statistical Services Program for the Australian Vocational Education and Training System.

2.2 Salaries and related payments

	2019 (\$)	2018 (\$)
Staff salaries	9 493 374	9 934 118
Termination benefits	-	64 725
Related payments	2 031 016	2 254 236
	11 524 390	12 253 079

FINANCIAL REPORTS

3 Contract revenue

	2019 (\$)	2018 (\$)
Management of Statistical Services Program	13 837 432	13 647 504
Management of Research Services Program	2 308 206	3 195 938
Other contracts	2 058 747	2 599 583
	18 204 385	19 443 025

4 Sundries

	2019 (\$)	2018 (\$)
Surveys mailout fees	121 380	77 300
Data requests and other	63 678	52 921
	185 058	130 221

5 Remuneration of directors and executives

5.1 Directors' fees

	2019 (\$)	2018 (\$)
Income received or due and receivable by the directors of NCVER Ltd from the company	58 075	57 847

Number of company directors whose income from the company (including superannuation contributions) was within the following bands:

	2019 (No.)	2018 (No.)
\$0 --- \$9 999	7	8
\$20 000 --- \$29 999	2	-
\$50 000 --- \$59 999	-	1

The names of company directors who have held office during the financial year are:

Ruth Shean (appointed 1/01/2019)	Nadine Williams (appointed 30/11/2018)
Lynn Austin	Suzanne Wauchope (resigned 30/04/2019)
Ian Curry (appointed 30/11/2018)	Peter Shergold (resigned 31/12/2018)
Megan Kirchner	Helen Garnett (resigned 31/12/2018)
Simon Walker	Craig Fowler (resigned 27/07/2018)
Catherine White (appointed 30/11/2018)	

Amounts paid to or on behalf of directors are disclosed in aggregate as the directors believe that the provision of full particulars would be unreasonable. The Managing Director has not been included in the directors' fees.

FINANCIAL REPORTS

5.2 Executives' remuneration

	2019 (\$)	2018 (\$)
Income received or due and receivable by the executive officers of NCVER Ltd from the company	678 725	673 975

Number of company executive officers whose income from the company (including superannuation contributions) was within the following bands:

	2019 (No.)	2018 (No.)
\$20 000 --- \$29 999	1	-
\$30 000 --- \$39 999	-	1
\$60 000 --- \$69 999	-	1
\$120 000 --- \$129 999	1	-
\$210 000 --- \$219 999	-	1
\$220 000 --- \$229 999	1	-
\$290 000 --- \$299 999	1	-
\$370 000 --- \$379 999	-	1

See note 16 for key management personnel included in the executive remuneration.

The Managing Director, as an Executive Director of the company, has been included in the executives' remuneration note.

6 Reconciliation of net operating deficit to retained earnings

	2019 (\$)	2018 (\$)
Net operating deficit	(2 225 370)	(3 024 961)
Add		
Retained earnings at the beginning of the financial year	7 901 035	10 925 996
Retained earnings at the end of the financial year	5 675 665	7 901 035

7 Receivables

	2019 (\$)	2018 (\$)
Trade and other receivables	4 203 778	3 986 030
GST receivable	152 951	100 947
Balance as at 30 June	4 356 729	4 086 977

FINANCIAL REPORTS

8 Property, furniture and equipment

8.1 Composition

	2019 (\$)	2018 (\$)
Leasehold improvement		
Leased property improvements	65 328	59 828
Less accumulated amortisation	(12 997)	(820)
Total leased property improvements	52 331	59 008
Leased equipment		
Leased equipment	40 807	44 418
Less accumulated depreciation	(23 948)	(43 274)
Total leased equipment	16 859	1 144
Furniture and equipment		
Furniture and equipment at cost	1 970 727	1 821 612
Less accumulated depreciation	(1 209 988)	(1 081 267)
Total furniture and equipment	760 739	740 345
Leased premises		
Leased premises	7 400 960	7 400 960
Less accumulated depreciation	(1 387 680)	(770 933)
Total leased premises	6 013 280	6 630 027
Total property, furniture and equipment	6 843 209	7 430 524

The leased premises represent the company's right-to-use the property at 60 Light Square, Adelaide. Refer to note 13.1 for the corresponding leased premises liability.

8.2 Movements

	Leasehold improvement (\$)	Leased equipment (\$)	Furniture and equipment (\$)	Leased premises (\$)	Total (\$)
Gross carrying amount					
Balance at 30 June 2018	59 828	44 418	1 821 612	7 400 960	9 326 818
Additions	5 500	24 100	371 454	-	401 054
Disposals - assets written off	-	(27 711)	(222 339)	-	(250 050)
Balance at 30 June 2019	65 328	40 807	1 970 727	7 400 960	9 477 822
Accumulated depreciation					
Balance at 30 June 2018	(820)	(43 274)	(1 081 267)	(770 933)	(1 896 294)
Disposals	-	27 711	214 228	-	241 939
Depreciation expense	(12 177)	(8 385)	(342 949)	(616 747)	(980 258)
Balance at 30 June 2019	(12 997)	(23 948)	(1 209 988)	(1 387 680)	(2 634 613)
Net book value					
Balance at 30 June 2018	59 008	1 144	740 345	6 630 027	7 430 524
Balance at 30 June 2019	52 331	16 859	760 739	6 013 280	6 843 209

FINANCIAL REPORTS

9 Intangible assets

9.1 Composition

	2019 (\$)	2018 (\$)
Computer software		
Computer software at cost	18 447 269	18 346 666
Less accumulated depreciation	(16 194 305)	(14 046 560)
Total computer software	2 252 964	4 300 106

9.2 Movements

	Computer software (\$)
Gross carrying amount	
Balance at 30 June 2018	18 346 666
Additions	100 603
Balance at 30 June 2019	18 447 269
Accumulated depreciation/amortisation	
Balance at 30 June 2018	(14 046 560)
Depreciation expense	(2 147 745)
Balance at 30 June 2019	(16 194 305)
Net book value	
Balance at 30 June 2018	4 300 106
Balance at 30 June 2019	2 252 964

10 Intellectual property

Following consideration by the board of directors, it has been resolved to place no value on intellectual property in the company financial statements at this time due to the lack of probable and measurable future economic benefits deriving from identified intellectual property.

11 Payables

	2019 (\$)	2018 (\$)
Current		
Creditors	1 624 946	617 435
Accrued expenses	252 808	654 326
Total	1 877 754	1 271 761

FINANCIAL REPORTS

12 Provisions and related oncosts

	2019 (\$)	2018 (\$)
Current		
<i>Annual leave</i>		
Provision for annual leave - current	722 687	746 843
Oncosts	129 216	133 535
	851 903	880 378
<i>Long service leave</i>		
Provision for long service leave - current	1 118 604	1 095 173
Oncosts	200 006	195 817
	1 318 610	1 290 990
Total current	2 170 513	2 171 368
Non-current		
<i>Long service leave</i>		
Provision for long service leave - non-current	180 482	227 252
Oncosts	31 598	39 708
	212 080	266 960
<i>Leased premises</i>		
Provision for make good	50 000	50 000
Total non-current	262 080	316 960

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company expects the full amount of annual leave to be settled within the next 12 months but does not expect long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

FINANCIAL REPORTS

13 Other liabilities

13.1 Lease liability

	Note	2019 (\$)	2018 (\$)
Current			
Equipment lease liability		13 250	-
Leased premises liability		331 059	287 315
Total current	17.1	344 309	287 315
Non-current			
Leased premises liability		6 300 982	6 632 041
Total non-current	17.1	6 300 982	6 632 041

Equipment lease expenditure commitments covers a lease financing agreements for photocopiers. The photocopier financing agreement is for a period of two years from 1 July 2018, with no interest payable and title retained by NCVER.

The leased premises represent the company's right-to-use the property at 60 Light Square, Adelaide. The lease commenced on 1 April 2017 and expires on 31 March 2024, with a right of renewal of 5 years. Lease payments will be indexed by 3.25% each year. Total cash outflow for the year is presented in the Statement of Cash Flows.

13.2 Other liabilities

	2019 (\$)	2018 (\$)
Current		
Contract revenue received in advance	4 903 120	5 036 385
	4 903 120	5 036 385

14 Members' guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was nine (2018: 9).

15 Contingent liabilities

There are no material contingent liabilities at year end.

16 Related party disclosures

Directors of the company and details of their remuneration are disclosed in note 5. There were no other related party transactions during the year.

The names and titles of other key management personnel who have held office during the financial year are:

Genevieve Knight	Acting National Manager, Research, Knowledge Management and Communication (ceased 1/4/2019)
Mette Creaser	National Manager, Statistics and Analytics

FINANCIAL REPORTS

17 Financial risk management

The company's financial instruments consist mainly of deposits with banks, investments in term deposits and accounts receivable and payable.

17.1 Interest rate risk

The company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out as follows:

	Note	2019 (\$)	2018 (\$)
Financial assets			
Cash		4 062 828	897 487
Receivables	7	4 356 729	4 086 977
Investment		3 446 465	6 496 465
Total financial assets		11 866 022	11 480 929
Financial liabilities			
Creditors	11	1 624 946	617 435
Accrued expenses	11	252 808	654 326
Lease liability	13	6 645 291	6 919 356
Total financial liabilities		8 523 045	8 191 117

Cash and investments are held with major Australian authorised deposit-taking institutions. The investments have a fixed rate of interest. Changes to interest rates have been reviewed and determined to not be material.

17.2 Net fair values

The net fair value of financial assets and financial liabilities (as presented in the table in note 17.1) of the company approximates their carrying value.

18 Events after reporting date

The directors are not aware of any significant events since the end of the reporting period.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes preceding this declaration:

- (a) comply with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards; and
- (b) give a true and fair view of the company's financial position as at 30 June 2019 and of its performance, represented by the results of its operations and cash flows, for the financial period ended on that date.

In the directors' opinion:

- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ruth Shean
Chair



Simon Walker
Managing Director

Dated at Melbourne this 18th day of September 2019

INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF NATIONAL CENTRE FOR VOCATIONAL EDUCATION RESEARCH LTD

Opinion

We have audited the financial report of the National Centre for Vocational Education Research Ltd, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the National Centre for Vocational Education Research Ltd, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in National Centre for Vocational Education Research Ltd's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF NATIONAL CENTRE FOR VOCATIONAL EDUCATION RESEARCH LTD (CONT)

Directors' responsibility for the financial report

The directors of National Centre for Vocational Education Research Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

INDEPENDENT **AUDIT REPORT**



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF NATIONAL CENTRE FOR VOCATIONAL EDUCATION RESEARCH LTD (CONT)

Auditor's responsibility for the audit of the financial report (cont)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to read 'Nexia Edwards Marshall'.

Nexia Edwards Marshall
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Jamie Dreckow'.

Jamie Dreckow
Partner

Adelaide
South Australia

18 September 2019

APPENDICES

COMPANY STRUCTURE

MEMBERSHIP OF EXTERNAL COMMITTEES

WORKING GROUPS AND COMMITTEES

PUBLISHED WORK

CONSULTANCY PROJECTS

PRESENTATIONS

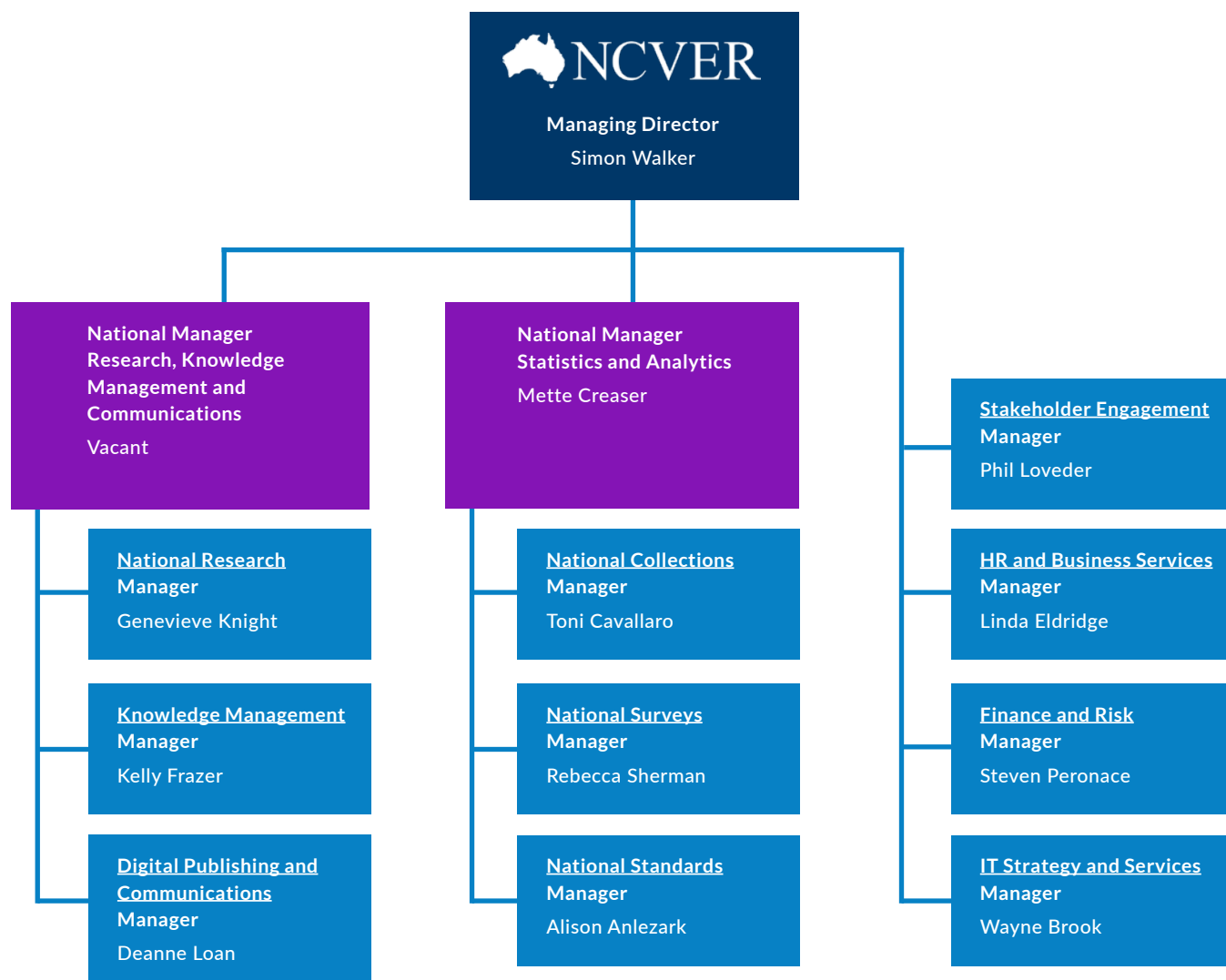
SUBMISSIONS

INTERNATIONAL

LONGITUDINAL SURVEYS OF AUSTRALIAN YOUTH

MEMORANDA OF UNDERSTANDING

COMPANY STRUCTURE



Executive

Simon Walker

Managing Director

Mette Creaser, BAgSc (Hons), PCMgt, PhD

National Manager, Statistics and Analytics

Note: As at June 30 2019.



MEMBERSHIP OF EXTERNAL COMMITTEES

As at 30 June 2019, NCVER staff (as listed) were members of the following external committees:

- Australian Consortium for Social and Political Research Incorporated: organisational membership
- Australian Vocational Education and Training Research Association: organisational membership
- Australian Vocational Education and Training Research Association Executive Committee (co-opted): Josie Misko
- Centre for Applied Youth Research Incorporated: organisational membership
- Committee for Economic Development Australia (CEDA): organisational membership
- National Skills Research Agency (South Africa), Editorial Board, Skills at Work Journal: Theory and Practice: Phil Loveder
- National Training Contract Working Group: Toni Cavallaro, Tracy Davey
- National VET Funding Collection Working Party: Toni Cavallaro, Pat Owen, Kelly Marshall
- Productivity Commission's Report on Government Services, VET Working Group: Toni Cavallaro
- South Australian Council of Adult Literacy Executive (Co-opted): Josie Misko
- Southeast Asian Ministers of Education Organization Regional Centre for Vocational and Technical Education (Negara Brunei Darussalam), Editorial Board, Voctech International Journal: Phil Loveder
- VET Data Strategy Working Group: Mette Creaser
- Unique Student Identifier, Combined Working Group: Mette Creaser, Alison Anlezark, Katherine McGregor
- United Nations Educational, Scientific and Cultural Organization—UNEVOC Pacific Network: Phil Loveder
- Vocational Education and Training Practitioner Research Network (VPRN): Phil Loveder.



WORKING GROUPS AND COMMITTEES

Research Working Group

The role of the Skills Senior Officials Network (SSON) Research Working Group (RWG) is to scope and prioritise research topics and projects to ensure that they are relevant to the skills policy agenda and align with Ministerial priorities.

This may include:

- proposing relevant topics for research
- canvassing relevant stakeholders to understand current research priorities
- prioritising research topics for endorsement by Senior Skills Officials
- providing advice to facilitate project proposal development
- providing support in the role of Research Sponsor of a project.

Technical Reference Advisory Committees

As at 30 June 2019, the Technical Reference Advisory Committees which advise NCVER on data-related issues are:

- National VET Funding Collection Working Party (Pat Owen)
- Survey Network Advisory Committee (Rebecca Sherman)
- LSAY Strategic Advisory Committee (Tasman Swanton)
- Technical Reference Advisory Committee: Apprenticeships (Katherine McGregor)
- Technical Reference Advisory Committee: VET provider (Katherine McGregor).

VET Data Access Committee

The VET Data Access Committee (VDAC) provides non-binding advice on requests for access to unpublished identifiable data held by NCVER and the Student Identifiers Registrar. This may include requests for disclosure of data containing USIs and/or personal information. The committee is chaired and run by NCVER.



PUBLISHED WORK

The following work was published during 2018–19. Superseded publications can be found in the VOCEDplus database <<https://www.voced.edu.au>>.

Statistical publications

- Apprentices and trainees 2018: March quarter
- Apprentices and trainees 2018: June quarter
- Apprentices and trainees 2018: September quarter
- Apprentices and trainees 2018: December quarter
- Completion and attrition rates for apprentices and trainees 2017
- Completion and attrition rates for apprentices and trainees 2017 – infographic
- Financial information 2017
- Government funding of VET 2017
- Government-funded students and courses 2017
- Government-funded students and courses 2017 – infographic
- Government-funded students and courses Jan–Mar 2018
- Government-funded students and courses Jan–June 2018
- Government-funded students and courses Jan–Sept 2018
- Historical time series of apprenticeships and traineeships – infographic
- International onshore VET graduate outcomes 2018
- International onshore VET graduate outcomes 2018 – infographic
- Total VET students and courses 2017
- Total VET students and courses 2017 – infographic
- VET in Schools 2017
- VET financial information 2017 – infographic
- VET graduate outcomes 2018 – infographic
- VET program completion rates 2016
- VET student outcomes 2018
- VET subject completer outcomes 2018 – infographic
- Young people in education and training 2017
- Young people in education and training 2017 – infographic



PUBLISHED WORK

Research publications

- Higher apprenticeships in Australia: what are we talking about?
- Internet job posting: preliminary skills analysis
- Internet job posting: employability skills
- Internet job posting: personal care and support skills
- Internet job posting: trending and skills
- Skilling the Australian workforce for the digital economy
- Skills for a global future
- The fourth industrial revolution: the implications of technological disruption for Australian VET
- The role and function of small VET providers
- The role and function of small VET providers — infographic
- Unaccredited training: why employers use it, and does it meet their needs?
- VET for secondary school students: acquiring an array of technical and non-technical skills

Corporate publications

- NCVER annual report 2017–18
- Research messages 2018

Longitudinal Survey of Australian Youth

- Generation Z: life at 17
- Life at 23: then and now
- Y15 wave 3 data release



CONSULTANCY PROJECTS

During 2018–19, income from commissioned consultancy activities was \$ 564 374* and new commercial work contracted for the financial year was \$ 548 437. Details of individual commissioned projects follow:

Consultancy projects 2018–19

Project	Client	Outcome
Development of the National Industry Insights Report and website interface	AISC (Commonwealth of Australia)	National Insights Report and Industry website maintenance
Analysis of low-use training packages in Australian industry	AISC (Commonwealth of Australia)	Infographics and Summary report
Indonesia–Australia Workforce Development Project	Department of Foreign Affairs and Trade (Commonwealth of Australia)	Professional program
Development of an industry survey tool to supplement data sources to inform training package development	AISC (Commonwealth of Australia)	Survey report
Evidence of participation workshops for external audit service providers in Victoria	Department of Education and Training (Victoria)	2 half-day workshops
Research on apprenticeships and student pathways in the refrigeration industry	Refrigerant Reclaim Australia	Research report

* Note that this total does not include management of Statistical and Research Services contracts with the Australian Government Department of Employment, Skills, Small and Family Business.

PRESENTATIONS

Conference presentations

Date	Presenter	Title	Event	Location
14–17 August 2018	Tomas A, Reyes O	Finding, interpreting and comparing survey estimates	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Bain K, Forrest C	Understanding and using longitudinal Surveys of the Australian Youth LSAY Data	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Circelli M, Knight G	Research and statistics at NCVER: The who, what and how	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Circelli M	From School to VET: how students transition and how we can help them	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	McDonald B, Ong A	How do we arrive at VET completion rates, with a special focus on what is driving the likelihood of VET	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Ruediger M	Demystifying the international VET training market	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Marshall K	Show me the money! VET funding in the past and into the future	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Korbel P	Demand for vocational skills: insights from internet job vacancies	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Forrest C	Measuring 'soft skills' in young Australians	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales
14–17 August 2018	Naidu R	VOCEDplus: telling the VET story	27th National Vocational Education Research Conference 'No Frills'	Sydney, New South Wales



PRESENTATIONS

Conference presentations

Date	Presenter	Title	Event	Location
29–31 August 2018	Creaser M	What the data tells us	ACPET National Conference and Asia-Pacific International Education Forum 2018	Canberra, Australian Capital Territory
13–14 September 2018	Anlezark A, Cavallaro T	More data coming your way... to help you make better business decisions	VELG Training 2018 Annual Conference	Adelaide, South Australia
13–14 September 2018	Brook W, McGregor K	Looking to the future of AVETMISS	VELG Training 2018 Annual Conference	Adelaide, South Australia
5 October 2018	Loveder P	Performance reporting in the Australian vocational education and training system	Federal Institute for Vocational Education and Training (BiBB) Special Forum on VET Indicators and International Comparisons	Bonn, Germany
8–10 October 2018	Siekman G	Identifying and sharing work skills within occupations: international approaches	World Federation of Colleges and Polytechnics 2018 World Congress - Preparing for the Skills Future, Now	Melbourne, Victoria
19 October 2018	Martin R	What you need to know about VET reporting and privacy	Australian First Aid Conference	Melbourne, Victoria
26 October 2018	Granfield P, Siekman G	Does provider type make a difference? Exploring student outcome survey data	AVETRA Research Forum	Canberra, Australian Capital Territory
13–15 November 2018	Osborne K	From school to VET: supporting and engaging recent school leavers in vocational education	Community Colleges Australia Annual Conference 2018	Sydney, New South Wales
16 November 2018	Cavallaro T	Setting the skilling scene: a snapshot of VET uptake and participation	OctoberVET	Adelaide, South Australia
16 November 2018	Chew E, Osborne K	Right skilling: using online job vacancy postings to identify skills requested by employers and industry	OctoberVET	Adelaide, South Australia

PRESENTATIONS

Conference presentations

Date	Presenter	Title	Event	Location
16 November 2018	Siekmann G, Stanwick J, White I	Up-skilling and right-skilling: the role of un-accredited training and skill sets	OctoberVET	Adelaide, South Australia
6–7 December 2018	Circelli M, Polvere R	VOCEDplus Teaching and learning pod: resource discovery to support practitioners	Federation University Australia - Building confidence in VET Practice: 4th Annual Conference on VET Teaching and VET Teacher Education	Melbourne, Victoria
12–14 December 2018	Ranasinghe, R, Parvazian S, Semo R	School to work transitions of youth in Australia: a sequence analysis approach using the LSAY	ACSPRI Social Science Methodology Conference 2018	Sydney, New South Wales
17 May 2019	O'Dwyer L	Provision of foundation skills by community education providers in regional Australia: what does it look like and does it help get people into VET?	Resilience, Educate, Empower Victorian Adult Literacy and Basic Education Council (VALBEC) Conference	Melbourne, Victoria
7 June 2019	Varona G	Numbers in the Hairdressing industry and where to find them	Australian Hairdressing Council Industry Conference	Sydney, New South Wales
17-18 June 2019	Gamlin T	VOCEDplus for new researchers: Avoiding information overload	AVETRA 2019 Conference: 'No future for old VET': Researching for the training system/s of tomorrow'	Sydney, New South Wales



PRESENTATIONS

Stakeholder presentations

Date	Presenter	Title	Event	Location
25 July 2018	Loveder P	Key features of the Australian VET sector and reform agenda	Bangladesh TVET leaders' delegation	Adelaide, South Australia
30 August 2018	Loveder P, Lumsden M	Data for workforce development planning	Bhutan technical managers VET development program	Brisbane, Queensland
5 September 2018	Knight G, Loveder P, O'Dwyer L	Return on investment at certificate III and above	Department of Education and Training	Canberra, Australian Capital Territory
1 May 2019	Loveder P	Understanding NCVER's role in VET performance monitoring	Ministry of Skills Development and Entrepreneurship (India)	Canberra, Australian Capital Territory



SUBMISSIONS

Submissions to parliamentary and other inquiries

- Department of Prime Minister and Cabinet: New Australian Government Data Sharing and Release Legislation. Submitted July 2018.
- Department of Industry, Innovation and Science: Consultation to inform the Women in STEM Strategy. Submitted July 2018.
- Training and Skills Commission (TaSC): Future-proofing the South Australian apprenticeship and traineeship system. Submitted September 2018.
- Australian Academy of Science: Women in STEM Decadal Plan. Submitted October 2018.
- Department of Prime Minister and Cabinet: Expert review of Australia's vocational education and training system. Submitted January 2019.
- Department of Education and Training: National Regional, Rural and Remote Education Strategy. Submitted January 2019.
- Department of Education and Training: Australian Qualifications Framework review. Submitted March 2019.



INTERNATIONAL

NCVER maintains modest yet strategic engagement in the international arena, the emphasis of which is on information and networking to better understand international training models and their potential relevance to Australian practice. We have developed links with a variety of organisations in Asia and with international VET bodies. Activities undertaken in 2018–19 include:

- Ongoing joint UNESCO–UNEVOC coordinating body for the Pacific Island cluster of countries consisting of 15-member nations including Australia: this role is mainly related to information exchange and regional intelligence gathering in 2016–17 and was shared with TAFE Directors' Australia
- Review of the AQF and relevance to the Korean NQF: Phil Loveder participated in a teleconference with Christine McEwan, Partner at PhillipsKPA on their AQF review and a request from the Korean Government, 20 July 2018
- UNESCO–UNEVOC VET Disruptions, Skills and the United Nations SDG's Forum: Phil Loveder attended this event and spoke to the participants in his role as UNEVOC Coordinator for the Pacific Island region, Melbourne, 10 August 2018
- UK Department for Business Innovation and Skills: Phil Loveder and Michelle Circelli addressed a UK government request for further information about Australia's government-led online adult learning initiatives (organised by the Australian Government Department of Education and Training), 21 August 2018
- Bhutan Technical Education Group: Phil Loveder and Marilyn Lawley presented to a group of senior Bhutanese managers from training and employment portfolios on information for workforce development planning, 30 August 2018
- TAFE Directors Australia and RMIT University, 7 November 2018: Phil Loveder held discussions with Andre Diez de Auz (TDA) and Peter Kelly (RMIT) on coordinating UNESCO–UNEVOC activities in Australia and our region
- OECD and the Department of Education and Training, 19 November 2018: Josie Misko participated in a strategic workshop on integrating work-based learning in schools (organised by the Australian Government Department of Education and Training)
- Taiwan Workforce Development Agency and Austrade Competency standards and governance national consultation forum: Phil Loveder presented and led the process around training package and competency development, Taipei, 21–24 November 2018
- German Federal Institute for Vocational Education and Training: Phil Loveder presented on Australia's Apprenticeships data collection program and indicators to a special forum of data agencies, Bonn, 29–30 November 2018
- UNESCO–UNEVOC Promoting Gender Equality in STEM-related TVET: Dr Gitta Siekmann presented and participated in this forum attended by STEM experts from 10 countries to discuss strategies for enhancing women's participation in science, technology and engineering and mathematics disciplines, Bonn 21–22 March 2019
- Indian Ministry of Skill Development and Entrepreneurship (MSDE): Phil Loveder presented to the Additional Secretary, Ms Sunita Sanghi and colleagues on NCVER's role and aspects of the Australian VET system (organised by the Australian Government Department of Education and Training), Canberra 1 May 2019.

NCVER hosted two international fellowship groups:

- Bangladesh TVET leaders' delegation: Phil Loveder presented a 'VET 101' workshop to a group of senior Bangladeshi managers on a program sponsored by New Zealand Aid managed through TTT Limited (New Zealand), 25 July 2018
- Indonesian Ministry of National Development (BAPPENAS) and associated agencies (for the Australian Government Department of Foreign Affairs and Trade): NCVER staff ran a successful workforce and skills forecasting program for 24 senior managers, 18–19 March 2019, supported by the Australian Government.



LONGITUDINAL SURVEYS OF **AUSTRALIAN YOUTH**

Since 2007, NCVER has provided analytical, reporting and publishing services for the Longitudinal Surveys of Australian Youth (LSAY) on behalf of the Australian Government Department of Education. This includes the preparation and management of the LSAY datasets which are deposited with the Australian Data Archive. In April 2019 the current contracts were further extended to cover services for the program to December 2021. These contract extensions include the final survey wave for the Y09 LSAY cohort and a further two waves for the latest cohort, Y15.



MEMORANDA OF **UNDERSTANDING**

NCVER has established memoranda of understanding with Australian vocational and education research centres and a number of international organisations. These arrangements relate to the exchange of materials and information and the development of cooperative research links to facilitate a broader understanding of trends and practices.

- Australian Council for Educational Research Ltd, Melbourne
- The Federal Institute for Vocational Training (BiBB), Germany
- Central Institute for Vocational and Technical Education, People's Republic of China
- Colombo Plan Staff College for Technician Education, Philippines
- European Centre for the Development of Vocational Training, European Union, Greece
- Institute for Adult Learning, Singapore
- Korea Research Institute for Vocational Education and Training, Republic of Korea
- National Council for Education Research and Training, India
- Overseas Vocational Training Association, Japan
- RAND Corporation (Australia), Canberra
- Southeast Asian Ministers of Education Organization Regional Centre for Vocational and Technical Education, Brunei, Darussalam
- United Nations Educational, Scientific and Cultural Organization, France





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